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**PACIFIC X TELESIS**  
Group - Washington

June 2, 1992

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Donna R. Searcy  
Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Dear Ms Searcy:

Re: *CC Docket No. 92-77 - Billed Party Preference for 0+ InterLATA Calls*

On behalf of Pacific Bell and Nevada Bell, please find enclosed an original and six copies of its "*Comments Regarding Proprietary Calling Cards and 0+ Access*" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosures

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JUN - 2 1992

Before the  
Federal Communications Commission  
Washington, DC 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
Billed Party Preference	)	CC Docket No. 92-77
for 0+ InterLATA Calls	)	
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COMMENTS OF PACIFIC BELL AND NEVADA BELL  
REGARDING PROPRIETARY CALLING CARDS AND 0+ ACCESS

Pacific Bell and Nevada Bell (the "Pacific Companies") hereby submit their comments in response to the Commission's request concerning whether it should require interexchange carriers (IXCs) to share with other IXCs, billing and validation data for any IXC calling card usable with 0+ access.

The Bell Operating Companies (BOCs) already offer full access to their calling card data on a nondiscriminatory basis. Customers using their BOC issued line based cards are able to dial 0+ for their calls, without the use of access codes. The Pacific Companies provide access to validation data as well as third party billing and collection services for their calling cards to all IXCs and operator service providers (OSPs) that request them.

In this filing, the Pacific Companies propose that those IXCs that wish to offer 0+ dialing with their calling cards open up access to their validation data to other IXCs. Furthermore, all 0+ card issuers should comply with the same Title II

regulations that govern validation of local exchange company 0+ cards. If they wish to offer a proprietary card and withhold access to validation data, then they should instruct their consumers to use access code dialing. This proposal would not alter the use or acceptance of BOC issued cards or BOC acceptance of IXC cards for intraLATA calls.

#### I. The CIID Format

The BOCs, through Bellcore, developed the Card Issuer Identifier (CIID) format as a means by which IXCs could issue a 14 digit non-line number based card using a 10 digit special billing number plus a 4 digit personal identification number to their customers. Bellcore administers the CIID format codes pursuant to its Guidelines.<sup>1</sup> Codes are available to IXCs and OSPs.

The CIID card format has been debated in numerous pleadings by many parties and has been approved by the Department of Justice and the Decree Court.<sup>2</sup> The Guidelines were seen as a way to provide all IXCs with a card that could be accepted equally by the BOCs and place all IXCs on a more equal footing with AT&T. The DOJ concluded, however, that the decree imposed

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<sup>1</sup>See "Administration Guidelines for Card Issuer Identifier," Bellcore Special Report number SR-BDS-001511.

<sup>2</sup>Memorandum of the United States in Response to the Court's Order of December 12, 1989 Concerning BOC Acceptance of Interexchange Calling Cards in CIID Format, (Feb. 8, 1990) (hereinafter referred to as "DOJ Memorandum"); United States v. Western Elec., Co., 739 F. Supp. 1, 10-11 (D.D.C. 1990).

no obligation on IXCs to make their cards available for use by alternative operator services providers.<sup>3</sup>

Many of the concerns raised before the Decree Court have been raised before this Commission concerning AT&T's position as a CIID issuer. Certain OSPs are claiming that because AT&T does not allow other IXCs or OSPs access to its validation data on the CIID cards it has issued, AT&T has reaped a "significant and unfair advantage in competing for public phone presubscriptions."<sup>4</sup> The Commission has tentatively found that Billed Party Preference (BPP) should "eliminate any advantage AT&T derives from its CIID card, since billed party preference would replace presubscription as the basis for routing 0+ traffic."<sup>5</sup> During the period in which the issues associated with BPP are considered, however, the Commission has asked whether it would be preferable for AT&T to share its billing and validation data for its CIID card or whether it should be required to restrict use of the card to access code calling.<sup>6</sup> AT&T has argued that its customers benefit from

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<sup>3</sup>DOJ Memorandum at 8, n. 10.

<sup>4</sup>In the Matter of Billed Party Preference for 0+ InterLATA Calls, CC Docket 92-77, Notice of Proposed Rulemaking, released May 8, 1992, para. 39 (hereinafter referred to as the "BPP NPRM").

<sup>5</sup>Id. at para. 41.

<sup>6</sup>Id. at para. 42.

knowing that only AT&T will be providing service to those customers.<sup>7</sup>

## II. 0+ InterLATA Calling Card Mutuality

The Pacific Companies would support a finding by the Commission that in order to offer an 0+ calling card, IXCs must make their validation data available to other carriers as described herein. 0+ interLATA calling card mutuality simplifies acceptance of calls by establishing the following rules for interLATA phone calls:

(1) Any calling card issuer that advocates 0+ dialing must provide access to validation data and billing and collection services to all interested transport providers. In this way, no 0+ card issuer would be able to use its card base to inequitably compete for public phone presubscription.

This rule thus provides the consumer with a choice: if he dials 0+ and is connected to an IXC other than the one that issued his card, the consumer can have his call completed without having to dial an access code. On the other hand, if the caller wants the call handled by the IXC that issued the card, he has the option of using an access code.

(2) If the IXC card issuer wants to offer a proprietary card that only it is able to honor, it must provide the card holder with access code instructions to be used all the time. If a caller places an interLATA calling card call using his proprietary card but dials on an 0+ basis, and the call is routed to the presubscribed carrier which is not the card issuer, the call will be

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<sup>7</sup>Id. at para. 37.

rejected by the transport provider unless that provider decides to carry the call without being able to bill for it. (For example, if an AT&T proprietary calling card customer were to dial 0+ at a phone presubscribed to MCI, the call would be rejected.)

This 0+ interLATA calling card mutuality concept places additional control in the hands of the consumer: if she simply wants her interLATA calling card call to be completed, regardless of the service provider, she will be able to complete her call using 0+ dialing. If a certain carrier is preferred, she will be able to dial an access code to reach that carrier.

This proposal will not solve all of the problems outlined in the BPP NPRM. However, by opening access to validation data among all providers, consumers will be able to place their calling card calls on an 0+ basis from all stations. They will also have the choice between using a proprietary access code card and a nonproprietary 0+ card. Consumers should also benefit from less confusion than exists today in trying to place calls.

IXCs would distinguish and screen proprietary and nonproprietary card calls based on whether the call was 0+ dialed: if 0+ dialed, then the carrier would access the data in whatever database has been established by the card issuer. OSPs and IXCs other than the card issuer would need to establish validation and billing arrangements with the 0+ card issuer.

Through 0+ interLATA calling card mutuality, consumers would have the benefit of 0+ calling card dialing all the time unless they choose to access a particular carrier using a

proprietary calling card and therefore use access code dialing. It is a valid alternative to BPP because it gives the choice of 0+ dialing to all consumers. Most consumers, it can be argued, simply want to complete a call at a reasonable price. If consumers are particularly price and/or feature sensitive, they can choose to utilize access codes.

### III. Conclusion

The 0+ calling card mutuality concept is an alternative to BPP that allows the consumer to make interLATA calling card calls on an 0+ basis or, if they so choose, access a particular carrier through an access code.

Respectfully submitted,

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Date: June 2, 1992

CERTIFICATE OF SERVICE

I, S. L. McGreevy, hereby certify that copies of the foregoing "COMMENTS OF PACIFIC BELL AND NEVADA BELL" were served by hand or by first-class United States mail, postage prepaid, upon the parties appearing on the attached service list this 2nd day of June, 1992.

By:

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